

CLASSIFICATION SECRET

A 13882

CENTRAL INTELLIGENCE AGENCY 25X1 REPORT

INFORMATION REPORT

CD NO. 25X1

COUNTRY Yugoslavia

DATE DISTR. 16 January 1953

SUBJECT Economic Notes

NO. OF PAGES 1

PLACE  
ACQUIRED

NO. OF ENCLS. 1  
(LISTED BELOW)

DATE  
ACQUIRED

SUPPLEMENT TO  
REPORT NO.

25X1

25X1

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE  
OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT 50  
U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION  
OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PRO-  
HIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED

THIS IS UNEVALUATED INFORMATION

THIS DOCUMENT HAS AN ENCLOSURE ATTACHED -  
DO NOT DETACH

25X1

25X1

Attached hereto for your retention and for whatever interest it may hold  
is a report containing economic notes.

FEB 12 4 25 PM '53

EXCLUDED BY

25X1

CLASSIFICATION SECRET

STATE	NAVY	NSRB		DISTRIBUTION															
ARMY	AIR	ORR	X																

25X1

SECRET

Yugoslavia

Economic Notes

3

25X1

K

25X1

1. The government is concerned about increasing the coal production of the country, which fell off during the past year. The causes were inadequate manpower, flight of workers from the mines, poor labor management, inadequate pay, unkept promises, and primitive living conditions. The miner's calling has no attractions for young men, because a miner earns hardly more than a common laborer. The workers are mostly untrained. Under these conditions production can hardly be increased without modern machinery. The economy, however, requires more and more coal, because the socialized industry is steadily being enlarged.
2. A building worker get 106 dinars per cubic meter, and the daily norm is 1.5 cubic meters. In the great Rašče ~~open~~ mines, where conditions comparatively are the best, a miner gets 96 dinars per cubic meter and the daily norm is 1.6 cubic meters. The rewards of building work are better by 58 percent than those of coal mining.
3. In spite of the "socialized economy" wages are not fairly and uniformly regulated. For example, the average monthly wage of a miner in the bauxite mines is 5,870 dinars; in the Golubovac coal mines it is 3,800 dinars, and in the Rašče coal mines it is 5,400 dinars. In contrast, a skilled workman in the Rade Končar electrical factory at Zagreb receives 6,600 dinars a month, and a semi-skilled workman gets 4,500 dinars. These rates are exclusive of allowances for families and children.
4. A new central hydro station is being built at Vuzenica, near Maribor. Extensive construction work is going on. The metalwork for the station is supplied by the Franc Leskošec Works.

25X1

SECRET

25X1

SECRET

- 2 -

5. Work on the new flotation department for electrolytic copper has commenced at the Bor copper mining works. The capacity of the old plant was inadequate, and for this reason it was found necessary to export raw copper instead of electrolyte, resulting in a large loss of exchange to the country. A ton of electrolytic copper is worth 12 times a ton of raw copper. The new installation will have a capacity of 24,000 tons annually.
6. A copper wire factory is to be built at Svetozarevo (formerly Jagodina).
7. Construction by the state of a copper treating plant at Sevonja (sic) is planned.
8. It is reported that the Bor mining works by the end of this year will have processed 4,000 tons more copper and pyrite than was originally planned.
9. It is reported that part of the Yugoslav copper surplus finds its way to Vienna, where it is sold at high prices on the illegal market to Czechoslovak, Hungarian and Russian agents. In this way Yugoslavia acquires considerable amounts of free exchange. It is not certain whether this is a legally organized government business, or is a private operation by leading individuals in Belgrade.
10. Experiments with different kinds of artillery ammunition are being made at the Vogošac war industry plant near Sarajevo. The plant employs 1,450 workers and makes cartridge cases and artillery ammunition.
11. The Pobeda agricultural machinery factory at Novi Sad has machinery of various kinds on hand worth 300 million dinars. The machines are standing uncovered in the open, exposed to the weather, and many of them have already rusted because there are no buyers for them, although the country suffers from a shortage of farm machinery. The factory management recently made a 10 percent reduction in wages.
12. The heads of the Economic Council are worried over the threat of a national food shortage. They would like to use the credit of \$99,000,000 provided for the purchase of raw materials to buy foodstuffs. The government expected a much larger credit. The damage from drought is officially estimated at 140 billion dinars. Drought, however, was not the only cause of the poor harvest. The ill-planned land redistribution, and the expulsion of the industrious Swabians and part of the Hungarian minority, and the partition of their confiscated fields among agriculturally untaught South Slavs are the reasons why Yugoslavia's agricultural production has decreased each year since the seizure of power by the Communists. Now, if grain and provisions to the amount of \$90,000,000 have to be imported, the economic strength of the country will be weakened, and the importation of raw materials, without which industry cannot produce and the army cannot be re-equipped, will have to be cut back.
13. A livestock census has been ordered for 16 to 20 January 1953. Even the number of swarms of bees held in private ownership, by cooperatives and by collective farms must be reported. On the other hand, the government in recent months has exported sheep, allegedly to the number of 30,000 head, to Greece, and has bought tractors with the exchange acquired thereby.
14. Highway traffic is unable to keep pace with the requirements of modern life in Yugoslavia. The main reason is the bad condition of the vehicles. The thousands of trucks delivered by UNRA in 1945 and 1946 are worn out; besides, their gasoline supplies have been cut off. They used more than 30 liters of gasoline

25X1

SECRET

25X1

SECRET

- 3 -

per 100 kilometers. The trucks of the Yugoslav Pioneer Automobile Factory at Tesno, near Maribor, have not come up to expectations. They use 25 liters of gasoline per 100 km. It is proposed to buy a large number of trucks abroad soon. Diesel-powered cars are the first requirement. As soon as possible, 30 large autobusses and 300 cargo trucks are to be procured for Serbia. The central government has notified the Tesno Factory that it is to begin mass production of the Laca-53 type of car in 1953.

15. There are four cotton mills in Yugoslavia, at Pristina, Sinj, Stip, and Mostar. Together they have 105,488 spindles and can produce 10,607 tons per year, but they are hampered by raw material difficulties. The looms at Pristina were assembled only the last few weeks. This plant can turn out 2,800 tons of cotton yarn yearly. The other three plants are not yet fully ready for operation, but will reach their full capacity of 11,000 tons of yarn by the end of 1952. The Dalmatinka Factory, at Sinj in Dalmatia, has, 1,600 employees. The factory at Stip began production in July 1952. The last factory, at Vrapštica near Mostar, began production in September 1952. It has 36,000 bobbins in operation.

V T3883

25X1

SECRET